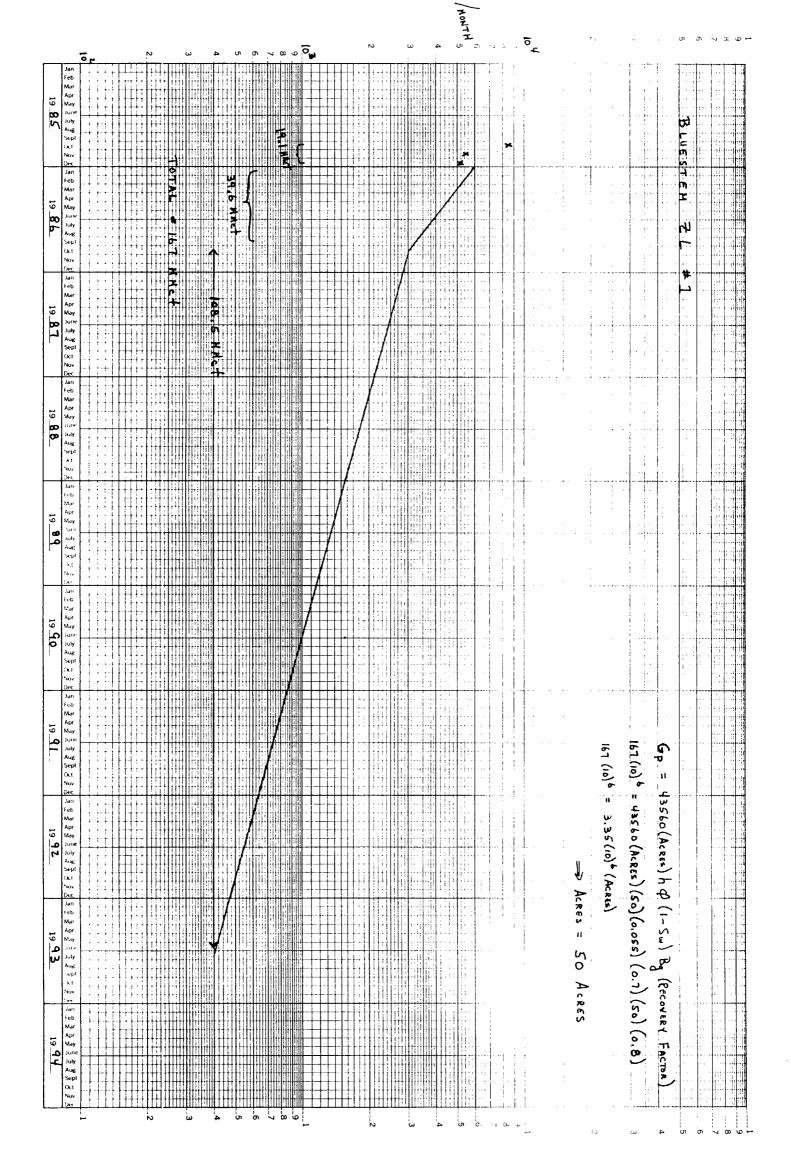
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BLUESTEM "ZL" FEDERAL NO. 1

1650 FNL + 2310 FEL Section 20-8S-38E Roosevelt County, New Mexico

1.	May 1, 1984	Permit to drill filed with BLM for oil well on 40-acre spacing unit.
2.	May 7, 1984	Permit to drill approved by BLM.
3.	May 21, 1984	Well Spudded.
4.	June 29, 1984	Well ready to produce.
5.	August 28, 1984	Gas connection made to Warren Petroleum pipeline.
6.	August 29, 1984	Well completed for $660~\text{Mcf/D}$ and $6~\text{BOPD}$ from San Andres perforations at $4635-4790$.
7.	September 19, 1984	Unorthodox location and non-standard spacing unit on Bluestem "ZL" Federal #1 rescheduled for examiner hearing on this date.
8.	May 28, 1985 to June 2, 1985	Flow test and pressure buildup with down-hole pressure guage in well.
9.	June 19, 1985	Examiner hearing(Case 8614) on unorthodox location and non-standard spacing unit for Bluestem "ZL" Federal #1.
10.	September 18, 1985	Order R-8025 entered.
11.	October 1, 1985	Well begins producing.
		8614 2



8614 4 Yalis

Illustration of Bluestem drainage area.

Here 85% of drainage area lies inside 160 acre circle.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 3614 Editor No. 5
Submitted by yestes
Hearing Data

ALLOWABLE FACTOR FROM DRAINAGE AREA

BLUESTEM "ZL" FEDERAL NO. 1

ACTUAL LOCATION - 330' from N and W sides of lease

ORTHODOX LOCATION - 990' from N and W sides of lease

SPACING UNIT - 160 Acres on Bluestem lease

Drainage Area	=	50 Acres
Fraction of Drainage area on Bluestem Lease	=	0.55
Fraction of Drainage area on lease or inside 160 acre circle around nearest orthodox location	=	0.85

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COMMISSION FORMULA FOR UNORTHODOX LOCATION

ALLOWABLE FRACTION

$$= \frac{1}{3} \left[D_{ew} + D_{ns} + F_{ex} \right] \times A_{su}$$

where

(1) $D_{ew} = \frac{Actual EW distance to nearest edge of spacing unit Shortest EW distance allowed for orthodox location$

is distance east-west factor

(2) $D_{ns} = \frac{Actual NS distance to nearest edge of spacing unit Shortest NS distance allowed for orthodox location$

is distance north-south factor

(3)
$$F_{ex} = 1 - \frac{A_{ex}}{Acres in standard spacing unit}$$

is excess outside acreage factor

- and A_{ex} = acres in crescent formed by circles centered at actual location and at nearest orthodox location such that each circle has same area as a standard spacing unit.
- (4) $A_{su} = \frac{Acres in non-standard spacing unit}{Acres in standard spacing unit}$

is spacing-unit factor

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Illustration of excess outside acreage as used in Commission formula for unorthodox location.

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fo, New Mexico
Case No. 8614 Editor No. 8
Submitted by Yalis
Hearing Date 0
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COMPARISON OF COMMISSION FORMULA WITH DRAINAGE AREA

BLUESTEM FACTS

a. Standard Spacing Unit = 320 Acres

b. Non-Standard Spacing Unit = 160 Acres

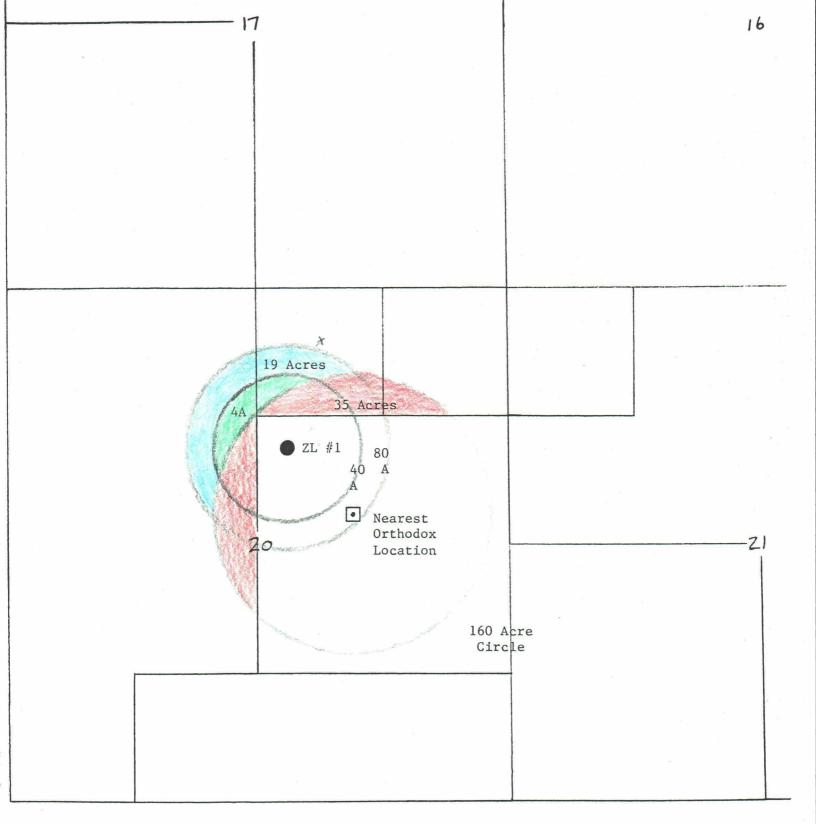
c. Actual E-W distance = 330 feet

d. Actual N-S distance = 330 feet

E-W distance for orthodox location = 990 feet

. N-S distance for orthodox location = 990 feet

FRACTION OF DRAINAGE AREA ON LEASE OR WITHIN 160 ACRE CIRCLE AROUND NEAREST ORTHODOX LOCATION	0.90	0.71	0.62	0.47	0.29	
FRACTION OF DRAINAGE AREA ON BLUESTEM LEASE	0.58	0.48	0.41	0.36	0.24	
ALLOWABLE FACTOR BY COMMISSION FORMULA	0.232	0.232	0.232	0.232	0.232	
ASSUMED DRAINAGE AREA(ACRES)	40	80	160	320	640	



Here drainage areas of 40 and 80 acres are shown.

CIL CONSTINATION COMMISSION
State Ft., New Mexico

Hearing Date

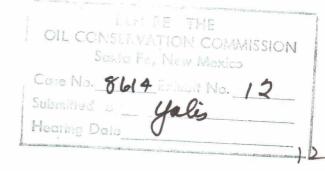
Illustration of allowable factor based on acres drained inside and outside spacing unit.

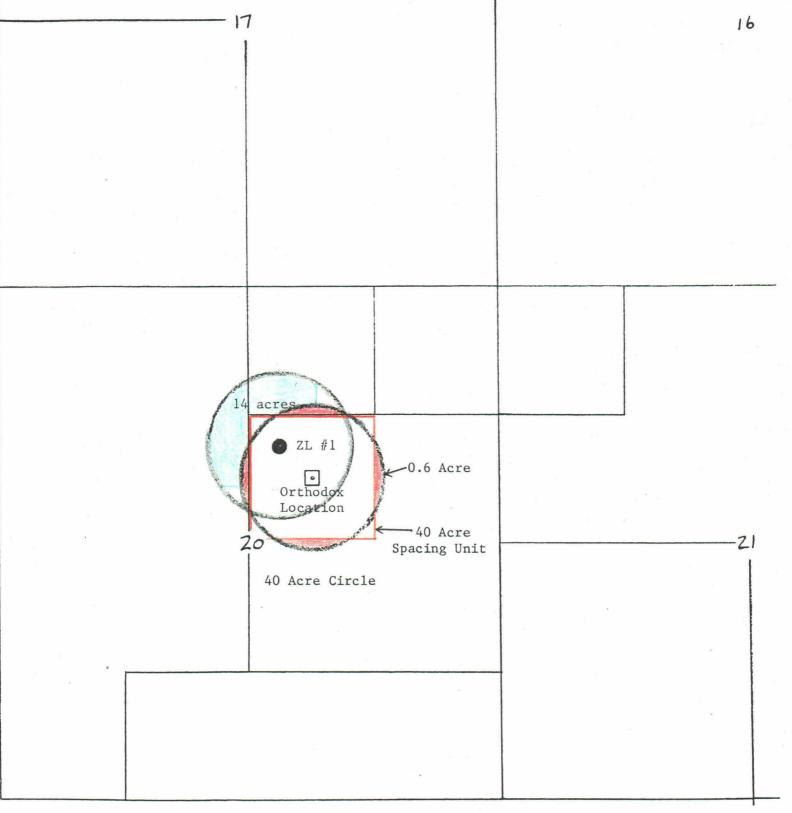
Here drainage area is 160 acres.

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	ed by_				
Hearing	Date_	0			

Illustration of allowable factor based on acres drained inside and outside spacing unit.

Here drawing areas of 320 and 640 acres are shown.





Case where Yates owns only 40 acres and well drains 40 acres.

Commission Formula --- Allowable Factor = 0.078

But 0.58 of drainage area lies on lease.

Case No. 8614 Exhibit No. 13

Submitted by Hearing Date

CALCULATION OF COMMISSION FORMULA FOR CASE

WHERE YATES IS ASSUMED TO OWN 40 ACRES

ALLOWABLE FRACTION =
$$\frac{1}{3}$$
 [$D_{ew} + D_{ns} + F_{ex}$] x A_{su}

Here Yates Fluestem ZL #1 - 330 FNL and 330 FWL of Lease
 "Orthodox Location - 660 FNL and 660 FWL of Lease
 Standard Proration Unit = 320 Acres
 Non-Standard Proration Unit = 40 Acres

Now (1) East-West Factor
$$D_{ew} = \frac{330}{660} = 0.50$$

(2) North-South Factor
$$D_{ns} = \frac{330}{660} = 0.50$$

(3) Excess Outside Acreage Factor

$$r = 2106.4$$
 ft for 320-acre circle

Area (A) of crescent between two circle of radius r centered a distance x apart is

$$A_{ex} = 2 \times \sqrt{r^2 - (\frac{x}{2})^2}$$

where x = 466.7 feet

$$A_{ex} = 2 (466.7) \sqrt{(2106.4)^2 - (233.3)^2} = 1954000 \text{ ft}^2$$

= 44.8 Acres

and

$$F_{ex} = 1 - \frac{44.8}{320} = 0.86$$

(4) Spacing Unit Factor

$$A_{su} = \frac{40}{320} = 0.125$$

3614 yala 14

Then

Allowable Factor =
$$\frac{1}{3}$$
 [$D_{ew} + D_{ns} + F_{ex}$] x A_{su}

Allowable Factor =
$$\frac{1}{3}$$
 [0.50 + 0.50 + 0.86] x 0.125

Allowable Factor =
$$0.078$$

regardless of actual drainage area of well

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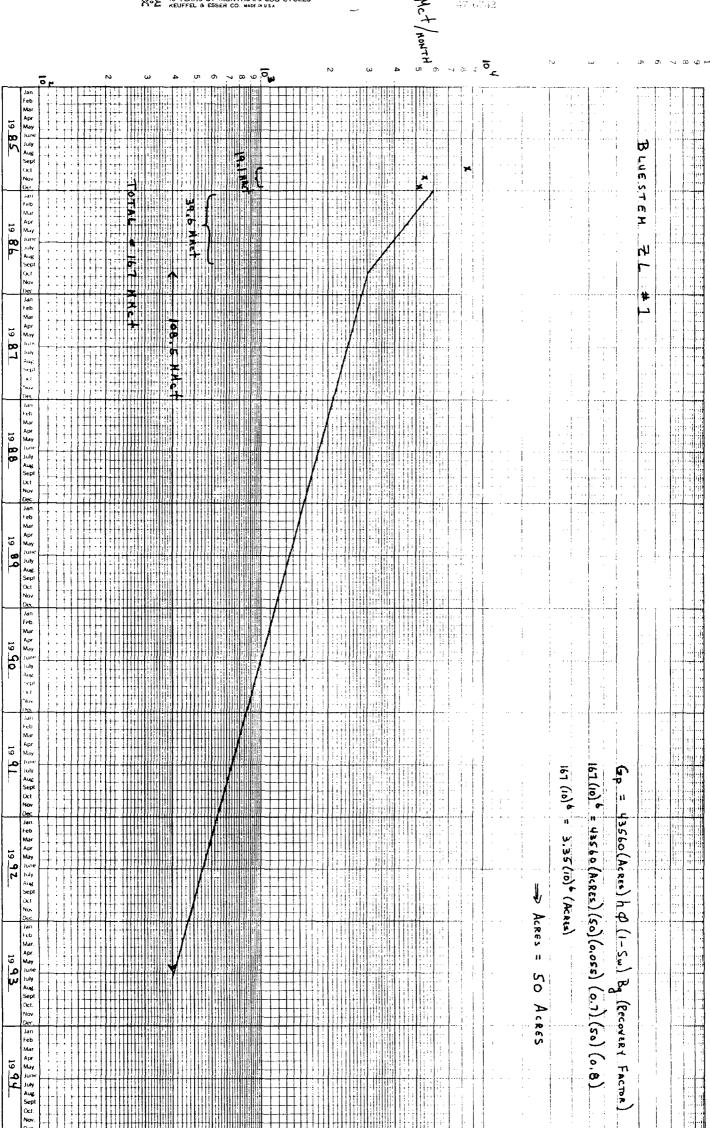


Illustration of Bluestem drainage area.

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ALLOWABLE FACTOR FROM DRAINAGE AREA

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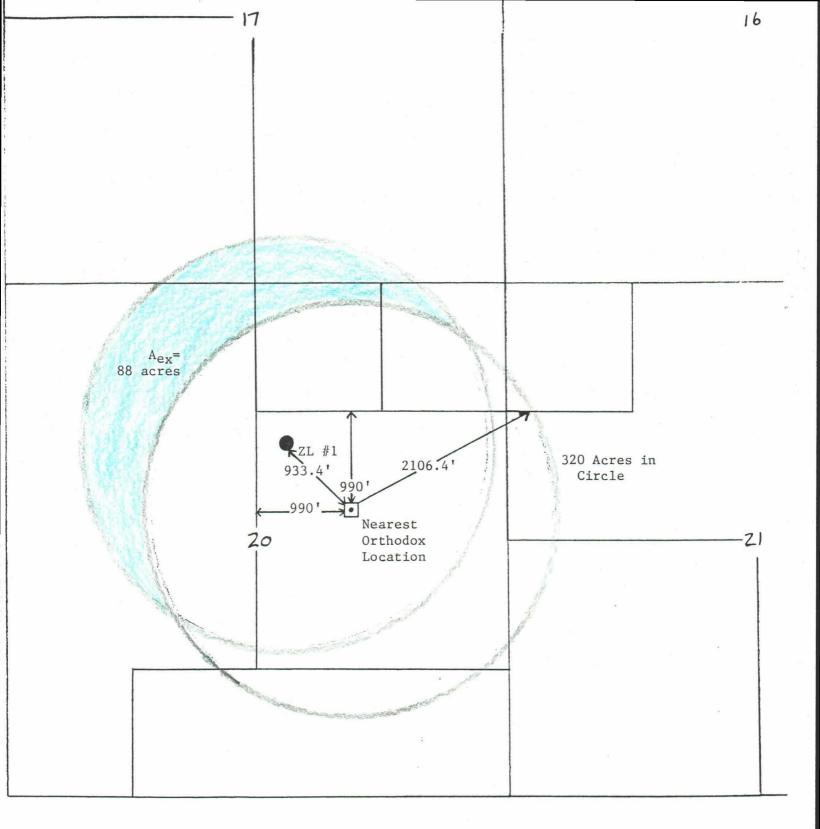


Illustration of excess outside acreage as used in Commission formula for unorthodox location.

COMPARISON OF COMMISSION FORMULA WITH DRAINAGE AREA

BLUESTEM FACTS

- a. Standard Spacing Unit = 320 Acres
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- c. Actual E-W distance = 330 feet
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- e. E-W distance for orthodox location = 990 feet
- N-S distance for orthodox location = 990 feet

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640	320	160	80	40	ASSUMED DRAINAGE AREA(ACRES)
0.232	0.232	0.232	0.232	0.232	ALLOWABLE FACTOR BY COMMISSION FORMULA
0.24	0.36	0.41	0.48	0.58	FRACTION OF DRAINAGE AREA ON BLUESTEM LEASE
0.29	0.47	0.62	0.71	0.90	FRACTION OF DRAINAGE AREA ON LEASE OR WITHIN 160 ACRE CIRCLE AROUND NEAREST ORTHODOX LOCATION

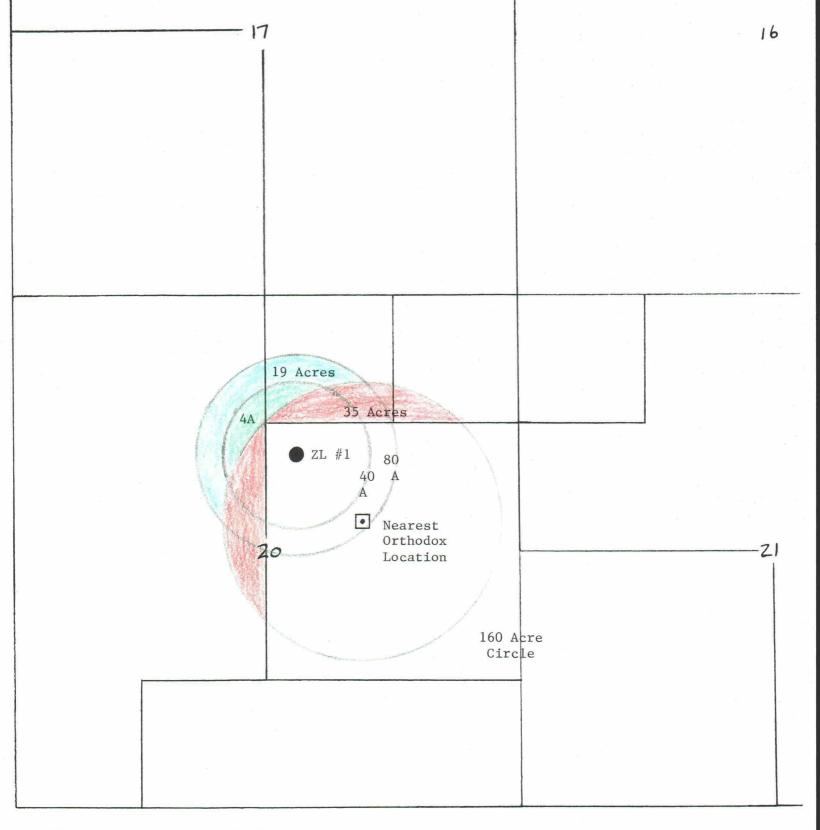


Illustration of allowable factor based on acres drained inside and outside spacing unit. Here drainage areas of 40 and 80 acres are shown.

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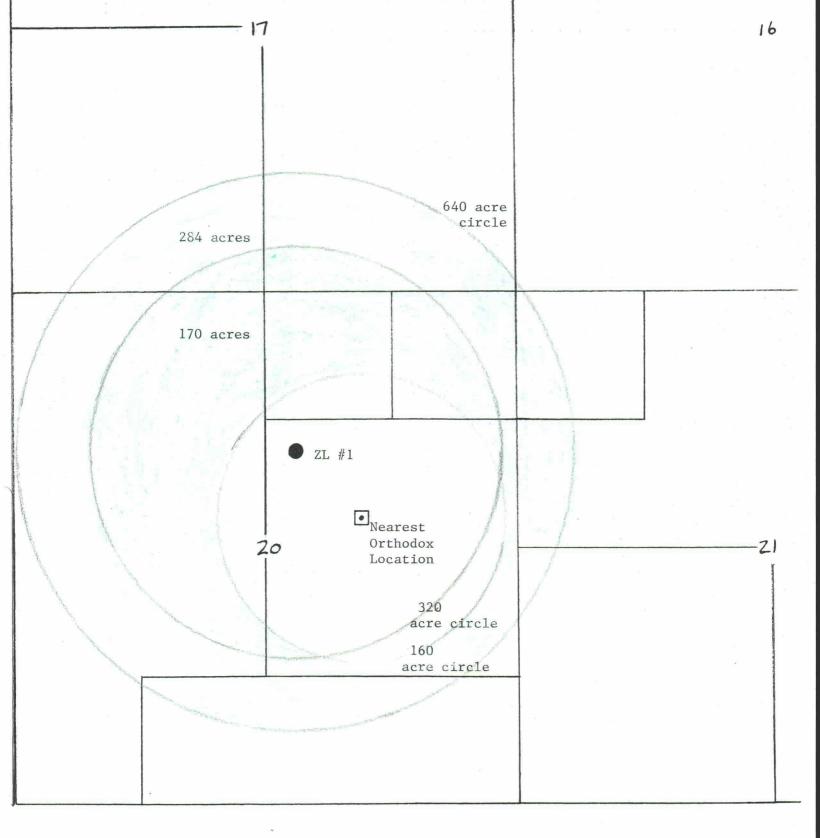


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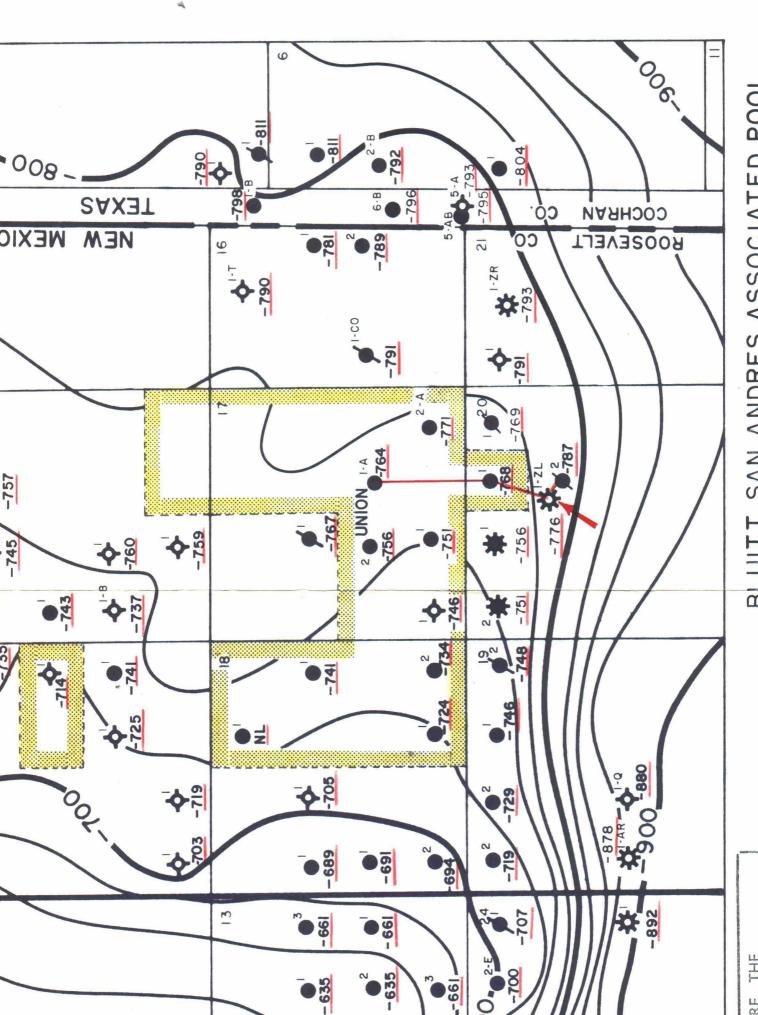
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SAN ANDRES ASSOCIATED POOL ROOSEVELT COUNTY, NEW MEXICO BLUITT

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